

20 Civ. 06274 (LAK)

United States District Court

for the

Southern District of New York

IN RE TRANSCARE CORPORATION, ET AL.

DEBTORS,

PATRIARCH PARTNERS AGENCY SERVICES, LLC, ET AL.

DEFENDANTS-APPELLANTS,

—against—

SALVATORE LAMONICA, AS CHAPTER 7 TRUSTEE OF THE JOINTLY-ADMINISTERED ESTATES OF TRANSCARE CORPORATION, ET AL.,

PLAINTIFF-APPELLEE.

**ON APPEAL FROM THE UNITED STATES BANKRUPTCY COURT FOR
THE SOUTHERN DISTRICT OF NEW YORK (BERNSTEIN, J.)**

IN RE: TRANSCARE CORPORATION, ET AL., CASE NO. 16-10407 (SMB)

LAMONICA V. TILTON, ET AL., ADV. PROC. NO. 18-1021 (SMB)

APPENDIX TO BRIEF FOR THE APPELLANTS

Volume XXX- A3675-A3700



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February 8, 2016

A3675

Financial

Scenario (excluding NYC 911 / NYC Core beginning in May) (2016)

	Maryland	Pittsburgh	Hudson Valley	MTA	Westchester EMS	NYC 911	NYC Core	Cash View		2016 P&L
Revenue 2016	\$ 7,000,000	\$ 7,000,000	\$ 12,000,000	\$ 25,000,000	\$ 2,500,000	\$ 10,800,000	\$ 8,333,333	\$ 72,633,333		\$ 72,633,333
Earning Contribution 2016	\$ 100,000	\$ 600,000	\$ 1,700,000	\$ 900,000	\$ 200,000	\$ 2,375,000	\$ -	\$ 5,875,000	Assume move in April	\$ 5,875,000
Critical Needs										
New Ambulances	0	5	0	0	0	0	0	5		
Parts & critical supplies	\$ 50,000	\$ 50,000	\$ 30,000	\$ 250,000	\$ 10,000	\$ 20,000	\$ 20,000	\$ 430,000		
Rent & facilities	\$ -	\$ 86,000	\$ 86,000	\$ 74,000	\$ 23,000			\$ 269,000		
New Vehicle Downpayment	\$ -	\$ 90,000	\$ -	\$ -	\$ -			\$ 90,000		
Total funding required to restore operations	\$ 50,000	\$ 225,000	\$ 116,000	\$ 324,000	\$ 33,000	\$ 20,000	\$ 20,000	\$ 789,000	Catchup required to run	
At rear payroll & taxes								\$ 930,000	At rear payroll & taxes	
								\$ 1,600,000	NYSIF Past due only	
\$ 1,458,333	69 People, Management, Billing, IT, Risk Management, HR, Performance Excellence							\$ -		
\$ 312,500.00	Facility rental, lease expiring ~ 2020, can be negotiated							\$ 930,000		
\$ 450,000.00	Bank charges							\$ 1,600,000		
\$ 800,000.00	Professional fees, including management fees at \$300K/year							\$ 257,000		
\$ 420,000.00	Payroll processing & communication							\$ 257,000	Gilberti & settlement	
\$ 3,440,833.33								\$ 3,576,000		\$ 3,440,833.33
	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 1,176,333	\$ 1,764,500			
EBITDA										\$ 2,434,167
2016	\$ -	\$ 500,000	\$ 1,600,000	\$ 800,000	\$ 100,000	\$ 1,198,667	\$ (1,764,500)			\$ 2,434,167

Personnel: Supervisor None None Branch Manager None None Branch mgr. replacement Project Manager Project Mgr. Controller CEO in Pittsburgh (Earl) CFO

-13-week cash forecast peak need: \$

- Assumes no pay down of past due NY headquarters rent.

Scenario (excluding NYC 911 / NYC Core beginning in May) (2017)

	Maryland	Pittsburgh	Hudson Valley	MTA	Westchester EMS	NYC 911	NYC Core	Cash View		2017 P&L
Revenue 2017	\$ 8,000,000	\$ 8,000,000	\$ 12,000,000	\$ 35,000,000	\$ 2,500,000			\$ 65,500,000		\$ 65,500,000
Earning Contribution 2017	\$ 500,000	\$ 800,000	\$ 1,900,000	\$ 3,500,000	\$ 250,000			\$ 6,950,000		\$ 6,950,000
\$ 450,000.00										
\$ 800,000.00										
\$ 420,000.00										
\$ 1,670,000.00										
	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 468,000	\$ 702,000		\$ 5,280,000.00
EBITDA										
2016 \$	(100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (468,000)	\$ (702,000)		
2017 \$	400,000	\$ 700,000	\$ 1,800,000	\$ 3,400,000	\$ 150,000	\$ (468,000)	\$ (702,000)			\$ 5,280,000

Monthly 2016 P&L (excluding NYC 911 and NYC Core)

Monthly 2016 Balance Sheet (Excluding NYC 911 and NYC Core)

Monthly 2016 Cash Flow (Excl. NYC 911 and NYC Core)

13-week cash forecast (all divisions)

Week Number	4 2/5	5 2/12	6 2/19	7 2/26	8 3/4	9 3/11	10 3/18	11 3/25	12 4/1	13 4/8	14 4/15	15 4/22	Weeks 4-15 Total
Collections													
Ambulance / Ambulette Receipts	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	16,200
MTA - ParaTransit Receipts	1,750	-	-	-	-	1,750	-	-	-	1,750	-	-	5,250
Subsidies	700	-	-	-	-	700	-	-	-	700	-	-	2,100
Subtotal Receipts (Swept)	\$3,800.0	\$1,350.0	\$1,350.0	\$1,350.0	\$1,350.0	\$3,800.0	\$1,350.0	\$1,350.0	\$1,350.0	\$3,800.0	\$1,350.0	\$1,350.0	\$23,550
Operating Disbursements													
Payroll													
Current Week's Payroll	(320)	(870)	(870)	(870)	(870)	(870)	(870)	(870)	(870)	(870)	(870)	(870)	(9,890)
Prior Week's Payroll	(569)	(579)	-	-	-	-	-	-	-	-	-	-	(1,148)
Current Week's Payroll Taxes	-	-	(465)	(465)	(465)	(465)	(465)	(465)	(465)	(465)	(465)	(465)	(4,650)
Prior Week's Payroll Taxes	(447)	(479)	(930)	-	-	-	-	-	-	-	-	-	(1,856)
Union Dues, HealthSavings and Other Benefits	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(132)
Subtotal	(1,347)	(1,939)	(2,276)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(1,346)	(17,676)
Recurring Insurance Payments													
NYSIF - Monthly	-	-	-	-	(420)	-	-	-	(420)	-	-	-	(840)
Astra Medical Insurance	-	(335)	-	-	(335)	-	-	-	(335)	-	-	-	(1,005)
Zurich Auto Insurance	(158)	(314)	(158)	-	(158)	-	(158)	-	(158)	-	(158)	-	(1,260)
MD/PA/DE Workers Comp	(65)	-	-	(65)	-	-	-	(65)	-	-	-	-	(195)
IPFS (Gen'l Lieb & Prop Insure)	(14)	(143)	-	(14)	(143)	-	-	(14)	(143)	-	-	-	(471)
Subtotal	(237)	(792)	(158)	-	(992)	(143)	(158)	-	(657)	(478)	(158)	-	(3,771)
All Other													
Rent - Sez Foster (Bklyn Bank St)	-	(74)	-	-	-	(74)	-	-	-	(74)	-	-	(222)
All Other Rent	(130)	-	-	-	(130)	-	-	-	(130)	-	-	-	(390)
Maintenance & Repairs	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(720)
Fuel	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(60)	(720)
Supplies, etc.	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(540)
AP-IT Consultant Payroll	-	(15)	-	-	-	-	(15)	-	-	-	(15)	-	(45)
Santander & Signature Fin leases	-	(48)	-	-	-	(48)	-	-	-	(48)	-	-	(144)
All Other Capital Leases	-	(21)	-	-	-	(21)	-	-	-	(21)	-	-	(68)
Bank Fees & Wells Interest	(85)	(28)	-	-	(85)	(28)	-	-	(85)	(28)	-	-	(339)
All other	(105)	(105)	(105)	(105)	(105)	(105)	(70)	(70)	(70)	(70)	(70)	(70)	(1,050)
Subtotal	(485)	(456)	(270)	(270)	(485)	(441)	(250)	(235)	(320)	(536)	(250)	(235)	(4,238)
CapEx													
Down payment on Leases (Assumes 30% Down Pmt per Vehicle)	-	-	-	-	-	(135)	-	-	-	(45)	-	-	(180)
Tenant Improvements - move from Hamilton to new facility	-	-	-	-	-	-	-	-	(100)	-	-	(100)	(200)
Lease Amortization and Interest payments	-	-	-	-	(14)	-	-	-	-	(31)	-	-	(45)
Past Due and Extraordinary													
NYSIF	-	-	-	-	(194)	-	-	-	(190)	-	-	-	(384)
Past Due AP vendors (over 90 total \$5MM at 12.31.15)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(50)	(600)
Re-establish other repair/maintenance vendors	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(120)
NYS WC Class Action Litigation defense coalition (Gilberti)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	(10)	-	-	-	-	(80)
Sez Foster (Bklyn LL) Stipulated Settlement	-	-	(65)	-	-	-	(65)	-	-	-	(65)	-	(195)
Milea (Bklyn LL evicting)	-	(245)	-	-	(101)	-	-	-	(101)	-	-	-	(447)
Mordy Flanz (attorney representing company against Milea)	-	(14)	-	-	-	-	-	-	-	-	-	-	(14)
Past Due Landlord obligations	(130)	(105)	(86)	(110)	(58)	-	-	-	-	-	-	-	(489)
Salisbury Settlement	-	-	-	-	-	-	-	-	-	-	-	-	-
Smith v City v TransCare Settlement	-	(168)	-	-	(14)	-	-	-	-	-	-	-	(177)
December/Jan Santander & Signature Financial lease payments	(48)	-	-	-	-	-	-	-	-	-	-	-	(48)
Carl Marks Advisors: 3 Months Retention	-	(135)	-	-	-	-	-	-	-	-	-	-	(135)
AT&T disconnect notice	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal Past Due and Extraordinary	(248)	(731)	(221)	(180)	(437)	(70)	(135)	(70)	(351)	(60)	(125)	(60)	(2,689)
Total Operating Disbursements + CapEx	(\$2,317)	(\$3,918)	(\$2,925)	(\$1,796)	[\$3,274]	(\$2,135)	(\$1,889)	(\$1,651)	(\$2,674)	(\$2,596)	(\$1,879)	(\$1,741)	(\$28,793)
Beginning AR Availability	38	329	(1,838)	(3,013)	(3,058)	(4,582)	(4,109)	(4,247)	(4,148)	(5,071)	(5,059)	(5,188)	38
Additional Funding	-	-	-	-	-	-	-	-	-	-	-	-	-
Availability from Collections	465	203	203	203	465	203	203	203	465	203	203	203	3,218
Borrowing Capacity on Current Weeks Sales	2,143	1,548	1,548	1,548	1,548	2,143	1,548	1,548	2,143	1,548	1,548	1,548	20,360
Funding Requests	(2,317)	(3,918)	(2,925)	(1,796)	(3,274)	(2,135)	(1,889)	(1,651)	(2,674)	(2,596)	(1,879)	(1,741)	(28,793)
Remaining Availability / Funding Need*	329	(1,838)	(3,013)	(3,058)	(4,582)	(4,109)	(4,247)	(4,148)	(5,071)	(5,059)	(5,188)	(5,178)	(5,178)

* Does not account for minimum cash balance

13-week cash forecast (excluding NYC 911 / NYC Core (non-emergency))

Legal

Legal

	TransCare Corp.	TransCare New York, Inc.	TransCare Westchester Inc. (under TransCare New York)	TC Hudson Valley Ambulance Corp.	TC Hudson Valley, Inc.	TransCare Pennsylvania, Inc.	TransCare Maryland, Inc.
Customer Contracts		Transit (NYC MTA) Mount Sinai Motefiore Bronx Lebanon Beth Israel Hudson Valley Hospital Center	White Plains EMS	Health Quest New York Presbyterian Putnam County VA Hudson Valley	Wappinger 911 Westchester Medical	VA Pittsburgh Health Care System University of Pittsburgh Medical Center Manorcare Lifecare Hospitals of PGH HealthSouth Rehab Delaware Hospice	University of Maryland
Vendors		NYSIF Zurich Auto Insurance Aetna Medical Insurance					
Landlords (Leases)		Corporate office (Jay Street) (One Metrotech) Hamilton (Milea) Sez Foster (Brooklyn Bank Street) 400 Seco Road (PA)		Herbert Redl (Poughkeepsie) Fulton Realty (Mount Vernon)			1125 Desoto Road, LLC
Vehicles		Entities that hold vehicles & all guaranteed by TransCare Corp.		Ian W. Realty			

- Plymouth Industrial – TransCare Main Line
- Unclear
 - General Liability/Property (IPFS)
 - Selar Realty (Transit Garage)
 - Town of Wappinger (Hudson Valley)

Legal

Operational

Operational

- Form a team to implement the plan including:
 - Earl Kossuth
 - Glen Youngblood
 - Peter Wolf
 - Jim Petro (HR Director in Pittsburgh)

Hudson Valley

- » Hudson Valley forecasts \$12.1M FY'16 revenue and \$1.7M of EBITDA
 - The basis for the revenue projections assume the division is able to have 13 functioning ambulances and 7 wheel chair vehicles on the road reliability by the start of Q2.
 - EBITDA margin of 16%+ would be in the range of Q1 and Q2 FY'15 but on average higher than much of the last 2 years
- » Fundamentals to achieve the plan the Company needs the following:
 - Reliable fleet of 13 working ambulances and 7 wheel chair vehicles in Q2
 - Retain and over time grow key accounts, including; NY Presbyterian, and Healthquest
 - Reestablishing credit with vendors to facilitate the repair & maintenance of vehicles
 - Hiring EMTs/Medics improving service levels, reducing overtime levels and ability to service additional volume

	Hudson Valley				
\$ in 000's	Q1	Q2	Q3	Q4	FY
FY '14					
Sales	2,986	2,973	2,923	2,948	11,829
GP	1,047	933	807	951	3,739
GM%	35.1%	31.4%	27.6%	32.3%	31.6%
EBITDA	331	178	64	239	812
	11.1%	6.0%	2.2%	8.1%	6.9%
Trips	6,154	6,134	6,019	5,879	24,186
FY '15					
Sales	3,063	3,097	3,044	2,905	12,108
GP	1,203	1,295	1,093	937	4,528
GM%	39.3%	41.8%	35.9%	32.3%	37.4%
EBITDA	522	657	409	246	1,834
	17.0%	21.2%	13.4%	8.5%	15.1%
Trips	6,117	6,188	5,579	5,446	23,330
FY '16					
Sales	2,905	3,014	3,061	3,107	12,087
GP	942	1,108	1,180	1,217	4,447
GM%	32.4%	36.8%	38.5%	39.2%	36.8%
EBITDA	263	423	491	526	1,703
	9.0%	14.0%	16.1%	16.9%	14.1%
Trips	5,700	5,985	6,105	6,227	24,016

Paratransit

- » Fundamentals to achieve the plan the Company needs the following:
 - Address outstanding concerns of MTA on issues such as commingling funds
 - Growing routes to 200+ by Q4
 - Reestablishing credit with vendors to facilitate the repair & maintenance of vehicles
 - Hiring drivers both improving service levels, reducing overtime levels and ability to service routes
 - Hire the right leader(s), operational & financial
- » 10% EBITDA, on average, is believed to be about the best the Company can expect to earn on the Paratransit MTA business since the change from a commercial to municipal contract

	Paratransit				
\$ in 000's	Q1	Q2	Q3	Q4	FY
FY '14					
Sales	6,636	6,886	7,115	7,028	27,665
GP	2,140	2,097	1,919	1,581	7,737
GM%	32.2%	30.5%	27.0%	22.5%	28.0%
EBITDA	1,186	1,190	940	556	3,873
	17.9%	17.3%	13.2%	7.9%	14.0%
FY '15					
Sales	7,152	7,615	6,895	5,873	27,536
GP	1,922	2,049	1,404	1,030	6,406
GM%	26.9%	26.9%	20.4%	17.5%	23.3%
EBITDA	877	1,072	381	(122)	2,208
	12.3%	14.1%	5.5%	-2.1%	8.0%
FY '16					
Sales	5,279	5,858	6,837	7,082	25,056
GP	601	1,021	1,670	1,932	5,224
GM%	11.4%	17.4%	24.4%	27.3%	20.9%
EBITDA	(479)	(68)	581	843	878
	-9.1%	-1.2%	8.5%	11.9%	3.5%

Pittsburgh

- » Pittsburgh forecasts \$6.7M FY'16 revenue and \$649k of EBITDA.
 - Pittsburgh has strong local management and somewhat isolated from the larger issues plaguing the New York operations.
 - Forecast assumes incremental volume from existing and new customers assuming improved fleet reliability
 - EBITDA margin of 11%+ by Q4 is achievable by addressing the current vehicle shortage and reliability issues
- » Fundamentals to achieve the plan the Company needs the following:
 - Retaining current leadership
 - 15 reliable ambulances and 10 wheel chair vehicles in Q2, including eventually replacing 8 out of service ambulances with new vehicles
 - No disruption of service from current landlord issues
 - Ability to win incremental business from UPMC and other customers

	Pittsburgh				
\$ in 000's	Q1	Q2	Q3	Q4	FY
FY '14					
Sales	1,996	2,061	1,976	1,970	8,002
GP	743	814	666	646	2,868
GM%	37.2%	39.5%	33.7%	32.8%	35.8%
EBITDA	228	237	112	70	647
	11.4%	11.5%	5.7%	3.6%	8.1%
Trips	7,663	7,874	7,683	7,776	
FY '15					
Sales	1,862	1,724	1,640	1,638	6,864
GP	686	653	648	614	2,601
GM%	36.8%	37.9%	39.5%	37.5%	37.9%
EBITDA	124	150	140	143	558
	6.7%	8.7%	8.6%	8.7%	8.1%
Trips	7,389	6,066	5,179	4,751	23,385
FY '16					
Sales	1,638	1,652	1,676	1,699	6,665
GP	498	642	657	655	2,452
GM%	30.4%	38.8%	39.2%	38.6%	36.8%
EBITDA	41	184	199	195	620
	2.5%	11.2%	11.8%	11.5%	9.3%
Trips	6,165	6,215	6,294	6,368	25,042

Maryland

- » The market needs to be continuously evaluated to see if it is viable going forward.
 - Company believes the best interest long term for the Company is to focus on growing the business but that assumes a commitment of vehicles and leadership
- » The projections assume a turnaround of the operations and the division is able to regain EBITDA margin of 5 – 6%, consistent with Q1 & Q2 FY'14
- » To achieve the plan the Company needs the following:
 - 1 New Ambulance for UMD by Q2 '16
 - Fleet size equal to 14 ambulances (9 CORE & 5 ExpressCare) by Q2 '16
 - New divisional leadership
 - Implement processes to track and improve UHU and other KPIs
 - Keep UMD contract and successful win incremental volume currently lost because of fleet reliability issues

	Maryland				
\$ in 000's	Q1	Q2	Q3	Q4	FY
FY '14					
Sales	2,290	2,239	2,118	2,279	8,925
GP	670	577	428	574	2,249
GM%	29.3%	25.8%	20.2%	25.2%	25.2%
EBITDA	141	122	(106)	78	236
	6.2%	5.5%	-5.0%	3.4%	2.6%
Trips	5,221	5,108	4,910	4,615	19,854
FY '15					
Sales	1,936	1,791	1,577	1,569	6,873
GP	299	194	107	115	715
GM%	15.5%	10.8%	6.8%	7.3%	10.4%
EBITDA	(85)	(111)	(170)	(188)	(555)
	-4.4%	-6.2%	-10.8%	-12.0%	-8.1%
Trips	4,908	4,873	3,950	3,714	17,445
FY '16					
Sales	1,667	1,725	1,748	1,769	6,908
GP	202	395	416	458	1,471
GM%	12.1%	22.9%	23.8%	25.9%	21.3%
EBITDA	(145)	45	64	105	69
	-8.7%	2.6%	3.7%	5.9%	1.0%
Trips	3,540	3,606	3,689	3,749	14,585

Corporate

- » Fundamentals to achieve the plan the Company needs the following:
 - Hiring the correct CEO to lead the organizational turnaround
 - Hiring the right CFO to implement the proper financial controls to the business
 - Realizing cost reductions across administrative staffing and the billing department throughout the year
 - No disruption of service from current landlord issues

	Corporate					
\$ in 000's	Q1	Q2	Q3	Q4	FY	
FY '14						
Sales	127	105	96	112	439	
GP	127	105	96	112	440	
GM%	100.0%	100.0%	99.9%	100.1%	100.0%	
EBITDA	(1,708)	(1,798)	(1,653)	(1,673)	(6,833)	
FY '15						
Sales	119	101	75	-	295	
GP	119	101	58	-	278	
GM%	100.0%	100.0%	77.3%	-	94.2%	
EBITDA	(1,509)	(1,528)	(1,606)	(1,560)	(6,202)	
FY '16						
Sales	75	30	30	30	165	
GP	75	30	30	30	165	
GM%	100.0%	100.0%	100.0%	100.0%	100.0%	
EBITDA	(1,485)	(1,557)	(1,533)	(1,528)	(6,103)	

Appendix

Certificates of Need

TransCare Ambulance Operating Certificates in New York State

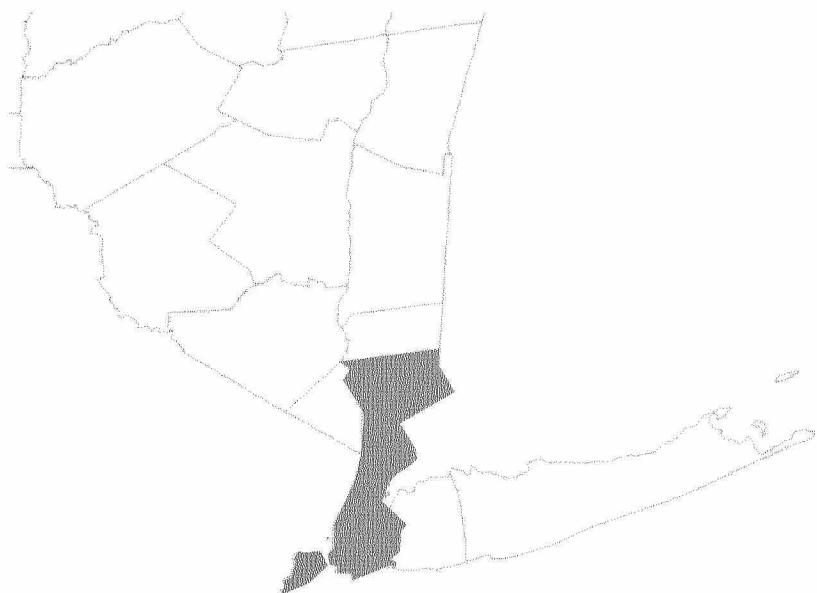
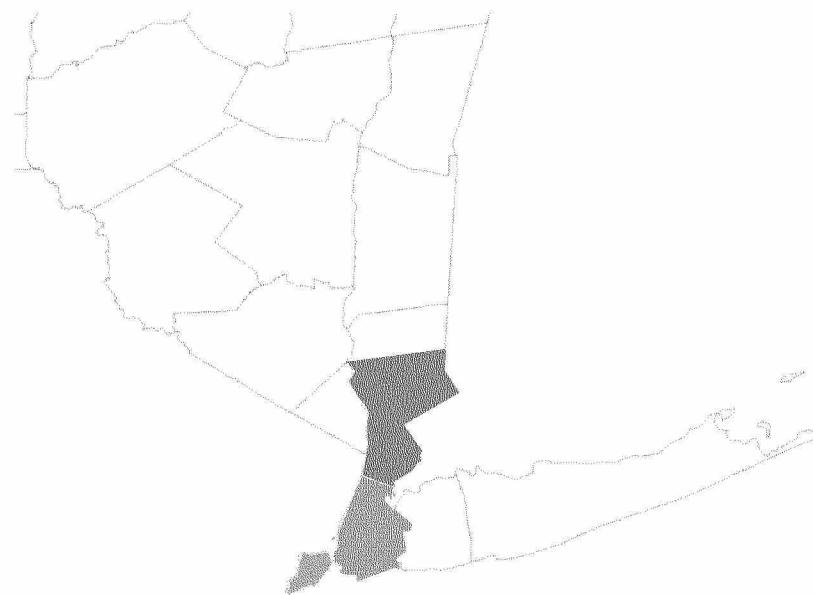
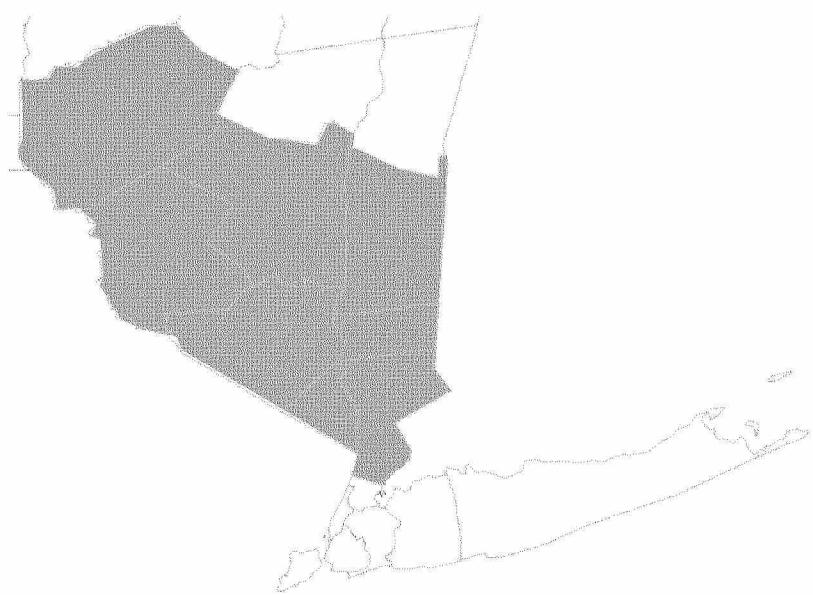
(Certificates of Need – CON)

Name of Covered Entity	DOH No.	How used	Certificate covers
TransCare New York, Inc.	0164	NYC Core (not-911)	New York, Bronx, Kings, Queens, Richmond, Westchester, Nassau, Suffolk
TransCare Westchester, Inc.	0470	Westchester EMS	Westchester
TC Ambulance Corp. dba MetroEMS	0510	NYC 911	New York, Bronx, Kings, Queens, Richmond, Westchester
TC Ambulance Group, Inc. dba Beth Israel	0508	NYC 911 – Not ours	New York, Bronx, Kings, Queens, Richmond
TCBA Ambulance, Inc. dba St. Barnabas	0574	NYC 911 – Not ours	New York, Bronx, Kings, Queens, Richmond
TC Hudson Valley Ambulance Corp.	0667	Hudson Valley	Westchester, Rockland, Orange, Putnam, Dutchess, Ulster, Sullivan, Delaware
TC Ambulance North, Inc.	0509	Unknown	Bronx, New York, Queens, Kings, Richmond
Alamo Ambulance Service Inc.	1311	Hudson Valley – Not ours	Dutchess, Orange, Putnam, Ulster

Certificates of Need

<i>Operation</i>	Hudson Valley	Westchester EMS	New York Core	NYC EMS	Not Specified
County	0667	0470	0164	0510	0509
Delaware	✓				
Sullivan	✓				
Orange	✓				
Ulster	✓				
Dutchess	✓				
Putnam	✓				
Rockland	✓				
Westchester	✓	✓	✓	✓	
Bronx			✓	✓	✓
New York (Manhattan)			✓	✓	✓
Queens			✓	✓	✓
Kings (Brooklyn)			✓	✓	✓
Richmond (Staten Island)			✓	✓	✓
Nassau (Western LI)			✓		
Suffolk (Eastern LI)			✓		

Certificates of Need



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Monthly 2016 P&L (All Divisions)

Amounts in 000's	Q1	Q1	Q1	Q2	Q2	Q2	Q3	Q3	Q3	Q4	Q4	Q4	Q4	Fcst
	Q1-2016 Jan-16	Q1-2016 Feb-16	Q1-2016 Mar-16	Q2-2016 Apr-16	Q2-2016 May-16	Q2-2016 Jun-16	Q3-2016 Jul-16	Q3-2016 Aug-16	Q3-2016 Sep-16	Q4-2016 Oct-16	Q4-2016 Nov-16	Q4-2016 Dec-16	2016	
Service Revenue	8,335.2	8,201.4	8,331.4	8,308.5	7,828.7	8,127.0	8,351.1	8,459.6	8,347.6	8,556.9	8,585.6	8,663.7	100,096.7	
Other Revenues	25.0	25.0	25.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	165	
Total Operating Revenue	8,360.2	8,226.4	8,356.4	8,318.5	7,838.7	8,137.0	8,361.1	8,469.6	8,357.6	8,566.9	8,595.6	8,673.7	100,261.7	
Driver Compensation & Related Benefits	3,820.4	3,586.6	3,550.0	3,435.3	3,206.3	3,126.3	3,185.4	3,206.0	3,151.6	3,224.0	3,243.7	3,275.8	40,011	
Workers Comp	772.5	725.7	718.4	695.1	649.3	633.1	645.0	649.2	638.5	653.1	657.0	663.4	8,100	
COPY/DISPATCH'S Compensation	210.1	208.4	212.3	216.7	218.5	227.5	235.8	239.1	235.8	244.1	245.0	247.3	2,741	
Fleet Maint Compensation	345.8	335.3	345.7	338.3	335.8	359.6	370.0	378.7	369.8	380.1	382.4	388.6	4,330	
Repairs & Maintenance	373.9	441.3	400.5	301.8	251.2	272.0	279.7	287.3	279.5	287.1	289.1	294.5	3,758	
Accident Costs	215.2	213.9	214.2	215.7	205.6	206.3	211.9	212.2	211.9	217.1	217.1	217.3	2,559	
Fuel, Tolls & Parking Costs	174.0	172.8	168.9	169.3	159.1	159.9	164.1	164.3	164.0	167.9	167.9	168.1	2,000	
Medical Supplies, Rentals & Repairs	101.8	100.9	101.2	98.9	89.9	90.6	92.8	93.1	92.8	94.8	94.8	95.0	1,147	
Communications	33.4	32.7	33.3	33.6	33.0	34.5	35.4	36.0	35.4	36.4	36.5	36.9	417	
Uniforms	15.7	15.5	15.8	15.9	15.6	16.4	16.8	17.1	16.8	17.2	17.3	17.5	198	
Equipment	29.0	28.8	28.9	29.2	28.2	28.5	29.3	29.4	29.3	30.0	30.0	30.1	351	
Health & Safety	2.6	2.7	2.7	2.8	2.8	2.8	2.8	2.8	2.8	2.9	2.9	2.9	33	
Licenses & Permits	8.6	8.5	8.7	8.8	8.7	9.2	9.4	9.6	9.4	9.6	9.7	9.8	110	
SUB TOTAL - COST OF SERVICE	6,434.1	6,204.2	6,131.8	5,892.5	5,535.0	5,497.7	5,609.6	5,655.8	5,568.6	5,695.2	5,724.5	5,778.5	69,727	
Gross Profit	1,926.1	2,022.2	2,224.6	2,426.0	2,303.7	2,639.3	2,751.5	2,813.8	2,789.0	2,871.7	2,871.1	2,895.2	30,534	
GP %	23.0%	24.6%	26.6%	29.2%	29.4%	32.4%	32.9%	33.2%	33.4%	33.5%	33.4%	33.4%	30.5%	
Administrative Staffing	964.2	978.8	1,005.3	1,002.3	989.5	989.5	989.5	983.5	983.5	983.5	983.5	983.5	11,836	
Facility Costs	349.9	349.9	350.3	349.6	349.9	349.9	349.9	349.9	349.9	349.9	349.9	349.9	4,199	
Insurance Auto/Liability	262.2	262.2	262.2	262.2	262.2	262.2	262.1	262.5	262.5	262.5	262.5	262.5	3,148	
Professional Fees	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	104.2	1,251	
All Other SG&A	264.8	269.8	264.8	250.8	250.8	250.8	250.8	250.8	250.8	250.8	250.8	250.8	3,057	
Bad Debt	379.9	378.8	378.8	377.1	344.7	344.7	353.8	353.8	353.8	361.9	361.9	361.9	4,351	
TOTAL OPERATING EXPENSES	2,325.2	2,343.7	2,365.5	2,346.2	2,301.3	2,301.4	2,310.4	2,304.8	2,304.8	2,312.9	2,312.9	2,312.9	27,842	
EBITDA	(399.1)	(321.5)	(140.9)	79.8	2.3	337.9	441.2	509.0	484.2	558.8	558.2	582.3	2,692	
	-4.8%	-3.9%	-1.7%	1.0%	0.0%	4.2%	5.3%	6.0%	5.8%	6.5%	6.5%	6.7%	2.7%	
Interest Expense	493.8	493.8	493.8	493.8	493.8	493.8	493.8	493.8	493.8	493.8	493.8	493.8	5,926	
Capital Leases	70.0	70.0	84.1	84.1	98.2	98.2	109.5	109.5	115.1	120.7	126.4	126.4	1,212	
Depreciation	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	1,861	
All Other	41.5	141.0	140.5	5.6	6.7	5.2	6.3	6.5	6.5	6.5	6.5	6.5	379	
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal	760.4	859.9	873.5	738.6	753.8	752.3	764.6	764.9	770.5	776.2	781.8	781.8	9,378	
Net Income	(1,159.5)	(1,181.4)	(1,014.5)	(658.8)	(751.5)	(414.4)	(323.4)	(255.9)	(286.3)	(217.3)	(223.6)	(199.5)	(6,686)	

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Monthly 2016 Balance Sheet (All Divisions)

Amounts in 000's	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	
Current Assets														
Cash and cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0	126.9	100.0	100.0	100.0	312.8	483.7	738.3	
Patient Account Receivables	16,940.8	16,906.4	16,603.2	16,628.7	16,600.9	16,342.4	16,196.1	15,683.7	15,812.9	15,672.7	15,518.6	15,595.6	15,788.8	
Inventory	1,200.0	1,042.6	860.5	674.3	668.9	652.6	642.4	637.2	645.2	650.7	655.8	660.4	666.1	
Prepaid and other curr assets	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	250.0	
Total Current Assets	18,490.8	18,298.9	17,813.7	17,653.0	17,619.8	17,345.0	17,215.4	16,670.9	16,808.1	16,673.5	16,737.2	16,989.7	17,443.2	
Property, Plant and Equipment														
Property, Plant and Equipment	3,194.5	3,194.5	3,219.5	3,994.8	4,020.1	4,465.1	4,490.1	4,995.1	5,020.1	5,105.1	5,370.1	5,635.1	5,660.1	
Accumulated Depreciation	-	-	155.1	310.2	465.2	620.3	775.4	930.5	1,085.5	1,240.6	1,395.7	1,550.8	1,705.8	1,860.9
Property and equipment, net	3,194.5	3,039.4	2,909.3	3,529.6	3,399.8	3,689.7	3,559.6	3,909.5	3,779.5	3,709.4	3,819.3	3,929.2	3,799.2	
Other Assets														
Goodwill	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	13,547.5	
Other Assets	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	6,205.1	
Total Other Assets	19,752.6													
Total Assets	41,437.9	41,090.9	40,475.7	40,935.1	40,772.1	40,787.3	40,527.6	40,333.0	40,340.2	40,135.5	40,309.1	40,671.5	40,995.0	
Current Operating Liabilities														
Accounts payable	9,642.1	9,068.2	7,639.3	6,501.5	6,244.7	6,176.8	6,126.8	5,896.5	5,700.4	5,493.8	5,505.7	5,515.3	5,528.8	
Accrued Management Fees	1,827.7	1,940.2	2,052.7	2,165.2	2,277.7	2,390.2	2,502.7	2,615.2	2,727.7	2,840.2	2,952.7	3,065.2	3,177.7	
NYSIF Balance	2,784.0	2,114.8	1,923.1	1,734.7	1,549.5	1,367.6	1,188.9	1,013.4	841.2	672.2	506.5	344.0	184.7	
Accrued expenses	2,284.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	1,819.9	
Accrued Compensated Absences	855.6	855.6	855.6	855.6	855.6	855.6	855.6	855.6	855.6	855.6	855.6	855.6	855.6	
ABL Line	14,309.7	14,201.3	13,946.7	13,968.1	13,944.7	13,727.6	13,604.7	13,174.3	13,282.8	13,165.1	13,035.6	13,100.3	13,262.6	
Total Current Liabilities	31,794.0	30,000.0	28,237.3	27,045.0	26,692.2	26,337.8	26,098.6	25,374.9	25,227.6	24,846.9	24,676.1	24,700.3	24,829.4	
Other Long Term Liabilities														
Term Loan	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	43,499.1	
Accrued Interest on Term Debt	-	393.8	787.6	1,181.5	1,575.3	1,969.1	2,362.9	2,756.7	3,150.6	3,544.4	3,938.2	4,332.0	4,725.8	
Incremental Funding	-	2,212.6	4,147.7	5,895.0	6,349.8	6,783.1	6,783.1	6,905.8	6,922.3	6,948.8	6,948.8	6,948.8	6,948.8	
Capital Lease	1,082.5	1,082.5	1,607.5	1,607.5	1,901.5	1,901.5	2,237.5	2,237.5	2,279.5	2,447.5	2,615.5	2,615.5	2,615.5	
Deferred Rent Payable	815.2	815.2	815.2	815.2	815.2	815.2	815.2	815.2	815.2	815.2	815.2	815.2	815.2	
Deferred Tax Liability	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	3,821.4	
Non Current Liabilities	49,218.2	51,824.6	54,153.5	56,819.7	57,668.3	58,789.4	59,183.2	60,035.7	60,446.1	60,908.4	61,470.2	62,032.0	62,425.8	
Total Liabilities	81,012.1	81,824.6	82,390.8	83,864.7	84,360.5	85,127.2	85,281.8	85,410.7	85,673.7	85,755.2	86,146.2	86,732.3	87,255.2	
Common Equity	(39,574.2)	(40,733.7)	(41,915.1)	(42,929.6)	(43,588.3)	(44,339.8)	(44,754.2)	(45,077.6)	(45,333.5)	(45,619.8)	(45,837.1)	(46,060.7)	(46,260.2)	
Total Equity	(39,574.2)	(40,733.7)	(41,915.1)	(42,929.6)	(43,588.3)	(44,339.8)	(44,754.2)	(45,077.6)	(45,333.5)	(45,619.8)	(45,837.1)	(46,060.7)	(46,260.2)	

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Monthly 2016 Cash Flow Statement (All Divisions)

	<u>Amounts in 000's</u>	<u>Q1-2016</u>	<u>Q1-2016</u>	<u>Q1-2016</u>	<u>Q2-2016</u>	<u>Q2-2016</u>	<u>Q2-2016</u>	<u>Q3-2016</u>	<u>Q3-2016</u>	<u>Q3-2016</u>	<u>Q4-2016</u>	<u>Q4-2016</u>	<u>Q4-2016</u>	<u>Fcst 2016</u>
		<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	
Cash Flow														
Net Income		(1,159.5)	(1,181.4)	(1,014.5)	(658.8)	(751.5)	(414.4)	(323.4)	(255.9)	(286.3)	(217.3)	(223.6)	(199.5)	(6,685.9)
Total Adjustments														
Adjustment to reconcile to net income														
Note Payable to Parent		-	-	-	-	-	-	-	-	-	-	-	-	
Non Cash Equity Infusion		-	-	-	-	-	-	-	-	-	-	-	-	
Amortization of deferred financing fees		-	-	-	-	-	-	-	-	-	-	-	-	
Provision for doubtful accounts		-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation and amortization	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	155.1	1,860.9
Deferred rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Adjustment to reconcile to net income	(1,004.4)	(1,026.3)	(859.4)	(503.7)	(596.4)	(259.3)	(168.4)	(100.8)	(131.2)	(62.3)	(68.5)	(44.4)	(4,825.0)	
Operating Adjustments														
(Increase) Decrease in Assets														
Accounts Receivable	34.5	303.2	(25.5)	27.8	258.5	146.3	512.5	(129.2)	140.1	154.1	(77.0)	(193.2)	1,152.0	
Inventory	157.4	182.0	186.3	5.4	16.3	10.2	5.2	(8.0)	(5.5)	(5.1)	(4.6)	(5.7)	533.9	
Prepaid Expenses and Other	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Long-Term Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total (Increase) Decrease in Assets	191.9	485.2	160.8	33.2	274.7	156.5	517.7	(137.2)	134.6	149.0	(81.6)	(198.9)	1,685.9	
Increase (Decrease) In Liabilities														
A/P and Accrued Expenses	(1,038.8)	(1,428.9)	(1,137.8)	(256.8)	(67.9)	(50.0)	(230.3)	(196.1)	(206.5)	11.9	9.6	13.6	(4,578.2)	
Accrued Management Fees	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	112.5	1,350.0
NYSIF Balance	(669.2)	(191.7)	(188.4)	(185.2)	(181.9)	(178.7)	(175.5)	(172.2)	(169.0)	(165.7)	(162.5)	(159.3)	(2,599.3)	
Accrued Compensated Absences	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	
Deferred Tax Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Increase (Decrease) In Liabilities	(1,595.6)	(1,508.1)	(1,213.7)	(329.5)	(137.3)	(116.2)	(293.3)	(255.8)	(263.0)	(41.4)	(40.5)	(33.2)	(5,827.5)	
Total Operating Adjustments	(2,408.0)	(2,049.3)	(1,912.3)	(800.0)	(459.0)	(219.0)	56.0	(493.9)	(259.6)	45.4	(190.5)	(276.5)	(8,966.6)	
Investing Adjustments														
Capital Expenditures	-	(25.0)	(775.3)	(25.3)	(445.0)	(25.0)	(505.0)	(25.0)	(85.0)	(265.0)	(265.0)	(25.0)	(2,465.6)	
Total Investing Adjustments	-	(25.0)	(775.3)	(25.3)	(445.0)	(25.0)	(505.0)	(25.0)	(85.0)	(265.0)	(265.0)	(25.0)	(2,465.6)	
Financing Adjustments														
Accrued Interest	393.8	393.8	393.8	393.8	393.8	393.8	393.8	393.8	393.8	393.8	393.8	393.8	4,725.8	
ABL Net Borrowings	(198.4)	(254.6)	21.4	(23.3)	(217.1)	(122.9)	(430.5)	108.5	(117.7)	(129.4)	64.7	162.3	(1,137.1)	
Term Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Lease	-	-	525.0	-	294.0	-	336.0	-	42.0	168.0	168.0	-	1,533.0	
Incremental Funding	-	-	-	-	-	-	-	-	-	-	-	-	-	
New Loans	2,212.6	1,935.1	1,747.4	454.8	433.3	-	122.7	16.5	26.5	-	-	-	6,948.8	
Total Financing Adjustments	2,408.0	2,074.3	2,687.6	825.3	904.0	270.9	422.1	518.9	344.6	432.4	626.5	556.1	12,070.5	
Total Cash Flow	-	-	-	-	-	26.9	(26.9)	-	(.0)	212.8	171.0	254.6	638.3	